

**Firemen's Pension and Relief Fund
City of Houma, Louisiana**

Annual Financial Report
As of and for the
Year Ended December 31, 2005

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, Attorney General, and other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge office of the Legislative Auditor and at the office of the parish clerk of court.

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 3-8-06

Firemen's Pension and Relief Fund
City of Houma, Louisiana

Annual Financial Report
As of and for the Year Ended December 31, 2005

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**Martin
and
Pellegrin**

103 Ramey Road
Houma, Louisiana 70360

*Certified Public Accountants
(A Professional Corporation)*

Ph. (985) 851-3638
Fax (985) 851-3951

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Firemen's Pension and Relief Fund
City of Houma, Louisiana

We have audited the accompanying basic financial statements of the Firemen's Pension and Relief Fund (the Pension Fund), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2005, as listed in the table of contents. These basic financial statements are the responsibility of the Pension Fund's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Firemen's Pension and Relief Fund as of December 31, 2005, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 10, 2006 on our consideration of the Firemen's Pension and Relief Fund's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Pension Fund has not presented Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

To the Board of Trustees
Firemen's Pension and Relief Fund
City of Houma, Louisiana
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Our audit was made for the purpose of forming an opinion on the basic financial statements. The information contained in the Schedule of Additions and Deductions on page 14 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements for the year ended December 31, 2005 taken as a whole.

Martin and Ruffi

January 10, 2006

FINANCIAL STATEMENTS

Firemen's Pension and Relief Fund
City of Houma, Louisiana

Statement of Plan Net Assets
December 31, 2005

Assets

Current assets

Cash and cash equivalents
Investments

\$ 93,830
1,720,463

Total Assets

1,814,293

Liabilities

DROP plan payable

20,912

Net Assets Held in Trust for Pension Benefits

\$ 1,793,381

The accompanying notes are an integral part of this statement.

Firemen's Pension and Relief Fund
City of Houma, Louisiana

Statement of Revenues, Expenses,
and Changes in Plan Net Assets
For the Year Ended December 31, 2005

Revenues

Contributions - Terrebonne Parish
Consolidated Government
Interest earned

\$ 213,271
57,156

Total Revenues

270,427

Expenses

Benefits paid
Administrative expenses:
Professional
Other

189,024

7,500
309

Total Expenses

196,833

Change in Net Assets

73,594

Net Assets Held in Trust for Pension Benefits:

Beginning of year

1,719,787

End of year

\$ 1,793,381

The accompanying notes are an integral part of this statement.

Firemen's Pension and Relief Fund
City of Houma, Louisiana
Notes to Financial Statements
For the Year Ended December 31, 2005

NOTE 1 – PLAN DESCRIPTION AND CONTRIBUTION INFORMATION

The following brief description of the City of Houma Firemen's Pension and Relief Fund (the Pension Fund) is provided for general information purposes only. Participants should refer to the applicable state statutes for more complete information.

A. PLAN HISTORY

The Pension Fund was established for members of the City of Houma Fire Department in 1973 under the provisions of Act 139 of the Louisiana Legislature. Effective January 1, 1980, new firemen of the City of Houma are covered under the Firefighter's Retirement System (FRS) of the State of Louisiana. The Pension Fund covers firemen hired prior to January 1, 1980. On March 26, 1996, the Pension Fund entered into a merger agreement with the Firefighter's Retirement System of the State of Louisiana. The merger was effective July 1, 1995. The Pension Fund has been closed to new participants since January 1, 1980.

B. GENERAL

The Pension Fund (a defined benefit pension plan) is a single-employer Public Employee Retirement System (PERS) administered by a Board of Trustees (the Board). The Board of Trustees shall be composed of seven (7) members, consisting of the president of the Terrebonne Parish Consolidated Government, or his appointee, who shall be chairman of the Board, a representative of the parish accounting department, a representative of the parish council to be appointed by said council, and four active members of the department, who shall not be above the rank of district chief when elected or reelected and who shall be elected by the active fire department personnel by election.

C. PLAN MEMBERSHIP

As of December 31, 2005, employee membership consisted of:

Retirees and beneficiaries currently receiving benefits	17
Current active members	<u>1</u>
Total employee members	<u>18</u>

D. ELIGIBILITY REQUIREMENTS

Regular retirement – The Firefighter's Retirement System shall be obligated to pay the retirement benefit of the active members hired prior to January 1, 1980.

DROP participation – In lieu of terminating employment and accepting a service retirement allowance, members may elect to participate in the deferred retirement option plan (DROP) and defer receipt of benefits under this fund. The maximum period that any employee can

Firemen's Pension and Relief Fund
City of Houma, Louisiana
Notes to Financial Statements
For the Year Ended December 31, 2005

NOTE 1 – PLAN DESCRIPTION AND CONTRIBUTION INFORMATION (Cont.)

participate in DROP and defer receipt of benefits is two years and the member can only exercise this option one time. On the effective date of the employees' participation in the DROP, the employee and employer cease contributing to this fund and the employee's benefit amount and service time shall be frozen. At the end of the period of participation in the DROP plan, the employee must choose either to terminate or continue employment.

The Parish shall be responsible for payment of DROP account balances accrued in the Pension Fund and any balances accrued by members merged into the Firefighter's Retirement System while participating in the DROP. Merged active members who are former DROP participants will have their benefit computed at the Firefighters' Retirement System benefit structure based upon the post-DROP accruals. The pre-DROP benefits (including the 50% survivor benefit) will be frozen and not recomputed by the Firefighters' Retirement System.

As of December 31, 2005, there was one current active member participating in DROP.

E. PLAN BENEFITS

Pension Benefits – Effective August 1, 1995, members retiring after twenty years will receive 66 2/3% of the greater of (a) the member's highest consecutive thirty-six months of compensation, or (b) the total monthly compensation of someone in the position held by the member at the time of retirement. An additional 3% is due for each year of service in excess of twenty years, up to a total benefit of 96 2/3% of such compensation.

As members reach the age of 50, the Firefighters' Retirement System assumes benefits according to the State's standards. However, as part of the agreement of the merger, the firemen in the City of Houma Pension Fund could not lose any benefits by agreeing to merge with the State. Therefore, the City of Houma continues to pay the difference between the amount the city previously paid in benefits and the amount the State pays now.

Death and Disability Benefits – These benefits are assumed by FRS and the difference is assumed by the City of Houma.

F. EMPLOYER CONTRIBUTIONS

Funding Policy – The Parish contributions are established by an actuary in the valuation report for the City of Houma Firemen's Pension and Relief Fund. The Aggregate Actuarial Cost Method was used and the actuarial accrued liability is equal to the actuarial value of assets, therefore there is no unfunded actuarial accrued liability. It was determined that there was an unfunded present value of contingent benefits in excess of assets in the amount of \$597,616 based on the December 31, 2004 actuarial valuation. Administrative costs are financed through investment earnings.

Firemen's Pension and Relief Fund
City of Houma, Louisiana
Notes to Financial Statements
For the Year Ended December 31, 2005

NOTE 1 – PLAN DESCRIPTION AND CONTRIBUTION INFORMATION (Cont.)

Annual Pension Cost – The annual required contribution for the current year was determined to range from \$175,514 to \$187,800 as part of the December 31, 2004 actuarial valuation using the Aggregate Actuarial Cost Method. The actuarial assumptions included 7.00% investment rate of return (net of expenses). In 2001, actual contributions exceeded the annual required contribution, resulting in a net pension asset of \$9,785. The amortization information was not made available by the actuary.

No new employees have entered into the Pension Fund since the merger with FRS and no contributions have been made since the merger.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Because members of the Terrebonne Parish Consolidated Government sit on the Pension Fund's governing board and thusly can impose their will, the Pension Fund was determined to be a component unit of the Terrebonne Parish Consolidated Government, the governing body of the parish and the governmental body with financial accountability. The accompanying financial statements present information only on the funds maintained by the Pension Fund and do not present information on the Consolidated Government, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

The accounting policies of the Pension Fund conform to accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

A. REPORTING ENTITY

The Pension Fund is a component unit of the Parish and, as such, these financial statements will be included in the comprehensive annual financial report (CAFR) of the Parish for the year ended December 31, 2005. The Pension Fund has reviewed all of its activities and determined that there are no potential component units which should be included in its financial statements.

B. CHANGE IN ACCOUNTING

In June 1999, GASB unanimously approved Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. One of the more significant changes in Statement No. 34 include for the first time a Management's

Firemen's Pension and Relief Fund
City of Houma, Louisiana
Notes to Financial Statements
For the Year Ended December 31, 2005

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Discussion and Analysis (MD&A) section providing an analysis of the Pension Fund's overall financial position and results of operations and financial statements prepared using full accrual accounting for all of the Pension Fund's activities. The Pension Fund has not presented Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements (including notes to financial statements).

C. FUND ACCOUNTING

The accounting system is organized and operated on a fund basis whereby a separate self-balancing set of accounts is maintained for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The accounts of the Pension Fund are organized on the basis of a Trust Fund. Trust Funds are used to account for assets held in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

D. BASIS OF ACCOUNTING

Trust Funds are accounted for using the accrual method of accounting. Revenues are recognized when they are earned and expenses are recognized when they are incurred.

E. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

F. METHOD USED TO VALUE INVESTMENTS

Investments are reported at fair value except for the Louisiana Asset Management Pool (LAMP). Short-term investments are reported at market value when published prices are available, or at cost, which approximates fair value. Investments during the year consisted of a Federal Home Loan Mortgage Corporation Note and LAMP. LAMP is an external pool which is operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than market value to report net assets to compute share prices if certain conditions are met.

Firemen's Pension and Relief Fund
City of Houma, Louisiana
Notes to Financial Statements
For the Year Ended December 31, 2005

NOTE 3 – DEPOSITS

State law requires deposits (cash) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivisions, or with an unaffiliated bank, or with a trust company for the account of the political subdivision.

Deposits are categorized into three categories of credit risk.

- Category 1 - Insured or collateralized with securities held by the Pension Fund or by its agent in the Pension Fund's name.
- Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the Pension Fund's name.
- Category 3 - Uncollateralized.

As of December 31, 2005, the bank balance of deposits is as follows:

	Bank Balance	Category		
		1	2	3
Cash and cash equivalents	\$ 93,830	\$ 93,830	-0-	-0-

As of December 31, 2005, cash was not in excess of the FDIC insurance.

NOTE 4 – INVESTMENTS

According to Louisiana Revised Statute 11:3228, the Board of Trustees may at any time, after considering the probable current demands upon such fund, determine what portion of said fund may be safely withdrawn from the current cash account for investment for revenue purposes, and having so determined, invest the same in the manner hereinafter authorized, and all proceedings of the Board of Trustees relating thereto shall be entered upon its records. Investment shall be made with exercise of that judgment and care under circumstances then prevailing which men of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital, as well as the probable income to be derived. In no case shall more than twenty percent of the total investments of the system assets consist of any stock, including common and preferred, or corporate shares of any kind. All income from such investments shall be and become a part of said Pension Fund. All such securities or instruments of investment shall be deposited with the Secretary/Treasurer of the Board of Trustees and the receipt therefore filed in the record books.

Firemen's Pension and Relief Fund
City of Houma, Louisiana
Notes to Financial Statements
For the Year Ended December 31, 2005

NOTE 4 – INVESTMENTS (Cont.)

The Pension Fund's investments are categorized to give an indication of the level of risk assumed by the entity at year-end.

- Category 1 - Insured or registered, with securities held by the Pension Fund or its agent in the Pension Fund's name.
- Category 2 - Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Pension Fund's name.
- Category 3 - Uninsured and unregistered, with securities held by the counterparty, or its trust department or agent, but not in the Pension Fund's name.

As of December 31, 2005, the investment balances are as follows:

	<u>Category</u>			<u>Fair Market</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Value</u>
Investments subject to categorization:				
Federal Home Loan Mortgage Corporation (FHLMC) Notes	\$ 64,759	-0-	-0-	\$ 64,759
Certificates of deposit	600,000	-0-	-0-	600,000
Investments not subject to categorization:				
Louisiana Asset Management Pool (LAMP)				<u>1,055,704</u>
Total investments				<u>\$ 1,720,463</u>

Investments held as of December 31, 2005 consist of \$1,055,704 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126, the investment in LAMP as of December 31, 2005 is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed or backed by the U.S. Treasury, the U.S. Government or one of its agencies, or instrumentalities, as well as repurchase agreements collateralized by those securities.

Firemen's Pension and Relief Fund
City of Houma, Louisiana
Notes to Financial Statements
For the Year Ended December 31, 2005

NOTE 4 – INVESTMENTS (Cont.)

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA-R.S. 33:2955(A)(1)(h) which allows all municipalities, parishes, school boards and any other political subdivisions of the State to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company. The FHLMC note is guaranteed as to principal and interest by the full faith and credit of the United States. The FHLMC note is held in trust by a third-party bank in the Pension Fund's name.

NOTE 5 – REQUIRED SUPPLEMENTARY INFORMATION

In accordance with Statement No. 25, required supplementary information can be found in the attached schedules.

NOTE 6 – COMPENSATION OF BOARD MEMBERS

Members of the Pension Fund Board serve without compensation.

REQUIRED SUPPLEMENTARY INFORMATION SECTION

Firemen's Pension and Relief Fund
City of Houma, Louisiana
Schedule of Employer Contributions
For the Year Ended December 31, 2005

As noted in Note 1A, the merger with the Firefighters' Retirement System became effective July 1, 1995 and funds in the plan were considered to be sufficient and therefore no contributions were required for 1996.

Year Ended December 31	Annual Required Contribution	Actual Contributions	Percentage Contributed
1997	\$ 36,820	\$ 36,820	100%
1998	35,595	35,595	100%
1999	68,569	68,569	100%
2000	68,569	68,569	100%
2001	56,503	66,288	117%
2002	56,503	56,503	100%
2003	228,200	228,200	100%
2004	213,271	213,271	100%
2005	213,271	213,271	100%

Firemen's Pension and Relief Fund
City of Houma, Louisiana
Actuarial Methods and Assumptions
For the Year Ended December 31, 2005

The information presented in the required supplementary schedule was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation Date	December 31, 2004.
Actuarial cost method	Aggregate Actuarial Cost Method, level % of pay.
Amortization method	This method does not identify or separately amortize unfunded actuarial liabilities.
Asset valuation method	Market value.
Actuarial assumptions:	
Investment rate of return	7% per year compounded annually.
Mortality	Based on the 1983 Group Annuity Mortality Table for Males and Females.
Termination, disability and retirement	Rates of withdrawal and termination from active service before retirement for reasons other than death (based on a table in the actuarial report which is used in similar systems) and rates of disability (based on the experience of other fire systems in the state).
Salary increases	Vary according to age ranging from 3% (age 55) to 6.1% (age 25) per year compounded annually.
Cost-of-living adjustments	Adjusted for projected increase in the standard of living.

SUPPLEMENTARY INFORMATION

Firemen's Pension and Relief Fund
City of Houma, Louisiana
Schedule of Additions and Deductions
For the Year Ended December 31, 2005, 2004, and 2003

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Additions			
Contributions	\$ 213,271	\$ 213,271	\$ 228,200
Investment income	57,156	27,032	29,810
Other	<u>-</u>	<u>297</u>	<u>264</u>
Total additions	<u>\$ 270,427</u>	<u>\$ 240,600</u>	<u>\$ 258,274</u>
 Deductions			
Benefits paid	\$ 189,024	\$ 194,754	\$ 193,361
Other	<u>7,809</u>	<u>2,953</u>	<u>8,433</u>
Total deductions	<u>\$ 196,833</u>	<u>\$ 197,707</u>	<u>\$ 201,794</u>

SPECIAL REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

**Martin
and
Pellegrin**

103 Ramey Road
Houma, Louisiana 70360

*Certified Public Accountants
(A Professional Corporation)*

Ph. (985) 851-3638
Fax (985) 851-3951

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Trustees of the
Firemen's Pension and Relief Fund,
City of Houma, Louisiana

We have audited the basic financial statements of the Firemen's Pension and Relief Fund (the Pension Fund) as of and for the year ended December 31, 2005, and have issued our report thereon dated January 10, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Pension Fund's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Pension Fund's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

To the Board of Trustees of the
Firemen's Pension and Relief Fund
City of Houma, Louisiana
Page 2

This report is intended solely for the information and use of the Pension Fund management, and the Louisiana Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Martin and Pelf.

January 10, 2006

Firemen's Pension and Relief Fund
City of Houma, Louisiana
Schedule of Findings and Questioned Costs
As of and for the Year Ended December 31, 2005

Section I – Summary of Auditor's Results

1. The auditor's report expresses an unqualified opinion on the basic financial statements of the Firemen's Pension and Relief Fund.
2. No reportable conditions were noted during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of the Firemen's Pension and Relief Fund, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. A management letter was not issued.

Section II – Financial Statement Findings

No findings material to the basic financial statements of the Firemen's Pension and Relief Fund were noted during the audit.

Section III – Internal Control Findings

No findings related to the Firemen's Pension and Relief Fund's internal control, which would be required to be reported in accordance with *Government Auditing Standards*, were noted during the audit.

Section IV – Findings and Questioned Costs – Major Federal Award Program Audit

This section is not applicable.

Firemen's Pension and Relief Fund
City of Houma, Louisiana
Schedule of Prior Findings and Resolution Matters
As of and for the Year Ended December 31, 2005

Note: All prior findings relate to the December 31, 2004 audit engagement.

Section I – Internal Control and Compliance Material to the Financial Statements

No findings related to the Firemen's Pension and Relief Fund's internal control, which would be required to be reported in accordance with *Government Auditing Standards*, were noted during the audit. No compliance findings material to the basic financial statements were noted during the audit.

Section II – Internal Control and Compliance Material to Federal Awards

The Firemen's Pension and Relief Fund did not receive federal awards during the year ended December 31, 2004.

Section III – Management Letter

A management letter was not issued.

Firemen's Pension and Relief Fund

**Management's Corrective Action Plan for Current Year Findings
As of and for the Year Ended December 31, 2005**

The contact person for all corrective actions noted below is Ms. Kayla Dupre, Accountant.

Section I – Internal Control And Compliance Material To The Financial Statements

This section is not applicable.

Section II – Internal Control And Compliance Material To Federal Awards

This section is not applicable.

Section III – Management Letter

This section is not applicable.